

# Lovells

590 Madison Avenue  
New York NY 10022  
Tel: +1 212 909 0600  
Fax: +1 212 909 0660

By E-mail

April 24, 2007

Direct line (212) 909-0661  
pieter.vantol@lovells.com  
Direct fax (212) 909-0660

Our ref NYPT/117058.01  
Matter ref V2336/00016

Kenneth R. Feinberg, Esq.  
The Feinberg Group LLP  
The Willard Office Building  
1455 Pennsylvania Ave., NW  
Suite 390  
Washington, DC 20004

William R. Jentes, Esq.  
1500 North Lake Shore Drive  
Suite 4C  
Chicago, IL 60610

Gregory B. Craig, Esq.  
Williams & Connolly LLP  
725 Twelfth St., NW  
Washington, DC 20005

**RE: TELENOR MOBILE COMMUNICATIONS AS V. STORM LLC**

Dear Messrs Feinberg, Jentes and Craig:

On behalf of respondent Storm LLC ("Storm"), we write to advise the Tribunal of recent developments in the action pending before the Honorable Gerard E. Lynch.

Following a hearing on April 20, 2007, Judge Lynch denied the motion by Telenor Mobile Communications AS ("Telenor Mobile") for an order holding Storm, Altimio Holdings and Investments Limited ("Altimio") and Alpren Limited ("Alpren") in contempt for allegedly violating Judge Lynch's preliminary injunction dated December 18, 2006 (the "December 18 Injunction").<sup>1</sup> Judge Lynch found that the E & Y Actions were not an attempt to disrupt, hinder or delay this arbitration and that they have not done so. Judge Lynch also concluded that there is no evidence that Storm, Altimio or Alpren took any steps, after the issuance of the December 18 Injunction, to enforce the December 1 Injunction.

---

<sup>1</sup> Telenor Mobile had argued that Storm, Altimio and Alpren violated the December 18 Injunction by (1) commencing actions in Ukraine relating to third-party agreements with various Ernst & Young entities (the "E & Y Actions"); and (2) allegedly taking steps to enforce the December 1, 2006 order of the Ukrainian court (the "December 1 Injunction") enjoining Storm and Telenor Mobile from continuing to participate in the arbitration.

April 24, 2007

At the same hearing, Judge Lynch informed the parties that he would consider modifying the December 18 Injunction to require Alpren to withdraw its December 4, 2006 applications in Ukraine to enforce the December 1 Injunction, unless — as proposed by counsel for Alpren at the hearing — Alpren agreed to withdraw the enforcement requests. Yesterday, counsel informed Judge Lynch that Alpren would be withdrawing the enforcement requests this week. (See attached letter.) Alpren pointed out at the April 20 hearing that a withdrawal of the enforcement requests is not necessary (given that the Ukrainian proceedings have not interfered with the arbitration), but it is apparent that Alpren withdrew the requests to avoid further motion practice or other unfounded allegations by Telenor Mobile.

Finally, Storm believes, for the reasons provided in its earlier submissions, that the Tribunal should reject Telenor Mobile's attempt to expand the scope of the arbitration to include issues arising out of the E & Y Actions. As Storm has demonstrated, those issues (as well as the other post-hearing matters raised by Telenor Mobile) are clearly not arbitrable. If, however, the Tribunal were to find that any of the issues discussed by Telenor Mobile in its January 16, 2007, March 12, 2007 and March 13, 2007 letters are arbitrable, we would respectfully request an opportunity to submit further evidence and/or argument on the substance of Telenor Mobile's claims. Since the underlying December 1 Injunction remains in place, we would need to seek leave of the Ukrainian court before submitting such evidence or argument.

Respectfully,



Pieter Van Tol

Enc.

cc: Robert L. Sills, Esq.